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Before the Subcommittee on Conservation, Credit, Rural Development, and Research Committee on Agriculture U.S. House of Representatives

Georgia Center for Continuing Education Athens, Georgia

March 29, 2004

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you this morning to reiterate the critical importance of federal financial support for our nation's agricultural research, extension and education system. Those of us at America's land grant universities thank you and your congressional colleagues for your continued interest in and support of these vital programs. And let me also say that it is a distinct honor and pleasure to host you here on the Athens campus of the University of Georgia.

America's integrated agricultural research, extension and education system is - as you know - the finest in the world. Although the system traces its roots back to the 1800's, its technologically advanced programs could not be more relevant to modern agriculture and the American way of life. Unfortunately, today the system is in great jeopardy, but not because of a failure to perform. Quite the contrary, it has performed exceedingly well for over 100 years. Rather, the system is in trouble because it is often taken for granted.

The Morrill Act of 1862, which created the land-grant university system, was truly some of the most innovative legislation ever enacted in any country. Passed during the height of the Civil War, this legislation took the only resource our developing nation had in abundance in those days - which was land - and used that resource to support the creation of a higher education system, not for the elite, but for the average person, and with agriculture and mechanic arts as the primary focal points.

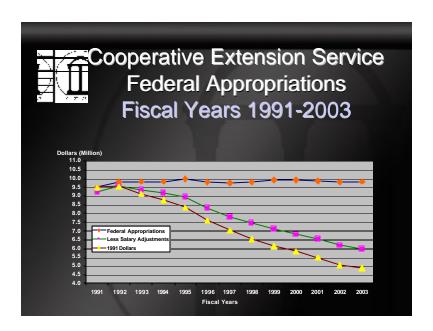
Subsequent legislation provided for two additional components. In 1887, a unified system of Agricultural Experiment Stations was established to conduct relevant research. And in 1914, the Cooperative Extension Service was created to deliver research-based information to farmers, homemakers, and others who could put such information to practical use.

Throughout our history, America has invested wisely in food, agriculture, forestry, and family related research and education programs. These university-based programs have worked exceedingly well and are the envy of the world. Our system, for many years, was nurtured by the executive branch of the federal government and supported by the legislative branch. Such support was bipartisan and widespread.

Unfortunately, in recent years, federal support has rapidly diminished, particularly in the past decade. In fact, just this past year, due to severe fiscal constraints, the U.S. Congress chose to reduce by over 10%, 33 different programs of the Cooperative State Research, Education and Extension Service (CSREES). This action has caused us here in Georgia to lose many critical positions in research and extension. Clearly, today our agricultural research, extension and education system is in great jeopardy. I would like to illustrate using some Georgia data.

Base support for agricultural programs is provided through the Hatch Act for research and through the Smith-Lever Act for extension. The University of Georgia receives \$4,602,173 for research through the Hatch Act and \$9,843,902 for extension through the Smith-Lever Act.

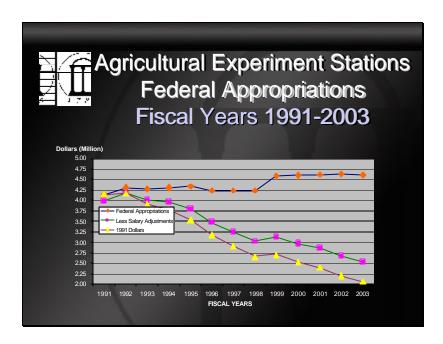
CHART 1



In Chart #1, you can see that we have not had any appreciable increases in federal appropriations in the Smith-Lever account for the Georgia Cooperative Extension Service over the past decade. In Georgia, over 75% of these funds are used to pay personnel salaries. Consequently, we must budget salary increases from other sources. This cost, along with inflation, greatly diminishes the buying power and capacity to conduct

extension programs. Indeed, as the bottom trend-line on this chart indicates, almost one-half of the buying power from this funding source has been lost in a little over a decade.

CHART 2



In Chart #2, we see a similar situation in the Agricultural Experiment Stations (AES). Even though we had a small increase in 1999, we have lost, in real terms, approximately one-half of the buying power and capacity to carry out research programs in a decade. In addition, the technological cost of conducting state-of-the-art research in terms of modern equipment has escalated to the point that we often have difficulty in competing with private industry.

I believe you will agree with me that if this trend continues, in only a couple of decades federal support for research and extension will be insignificant.

I quickly acknowledge that these data pertain only to formula funds, which are used to support base programs. Obviously, we have made up some of these losses through competitive grants, special earmarks and other sources of funding.

A key question is, "Why have we lost capacity for these programs when other federal agencies have experienced phenomenal growth, particularly for research, in recent decades?" I am not sure I can answer this question definitively, but I do have some thoughts to share with you.

Over the years, agricultural research, extension, and education programs have been highly successful and are, unfortunately, often taken for granted. Also, while the executive branch still recognizes ownership of research and development in most federal agencies, this does not appear to be the case with agriculture, forestry, families, and veterinary medicine. Consequently, we must depend upon the legislative branch of government. We all know this approach is always a harder sell.

Another problem exists with no easy answer. When research, extension and education programs are put in the same ring with commodity programs, it is obvious who wins. It is exceedingly difficult for those of us who work for research, extension and education when we know that increases for our programs will perhaps compete with our own farmers and may diminish funds for commodity support.

Our situation demands an urgent response because the future of this nation greatly depends on a successful agricultural sector. Research and education are critical to that success. Those of us in the system are working hard to develop a budget request that takes into account our needs in order to be successful.

As Congress debates its budget and appropriations strategies for this fiscal year, we are asking for support for the full panoply of programs funded through the U.S. Department of Agriculture's CSREES. The formula funds administered by CSREES – including Hatch, McIntire-Stennis, Evans-Allen, Smith-Lever, Animal Health and 1890s extension funding – support America's agriculture and natural resources research, extension and education system.

Other vital CSREES efforts include the National Research Initiative (NRI) and similar competitive grant programs. The NRI is the premier competitive research program impacting agriculture. USDA is able to only fund approximately 15% of the quality proposals submitted. Other agencies such as the National Science Foundation and the National Institutes of Health are able to provide about twice the funding. Clearly this leaves many areas related to farming practices, commodity production, nutrition, conservation, and other important unmet needs.

To combat nutritional illiteracy and the epidemic of obesity, land-grant universities conduct research into the root causes of obesity and manage education and outreach efforts, such as the Expanded Food and Nutrition Education Program (EFNEP), which brings better nutritional practices to low-income parents and children.

To protect our farms and food supplies from natural or introduced threats, researchers, teachers, and extension agents at the nation's land-grant institutions develop and distribute innovative practices and technologies that help shore up our vulnerability to

damaging agents and enable rapid responses when outbreaks occur.

To foster environmental stewardship, CSREES-funded teachers and scientists promote farm, forest and rangeland health, reduce water and air contamination, enhance fish and wildlife, reduce farm production waste, conserve biodiversity, and limit the impacts of land use development on natural resources.

In order to meet the critical need to maintain agriculture, we prioritized our request for 2005 into four major categories.

- 1. Restore the \$20.6 million in 33 CSREES programs that was cut by 10% in last year's Omnibus appropriations bill.
- 2. Increase funding for facilities and capacity building at the 1890s and other minority-serving institutions by providing funding in the following amounts:

1890s facilities and capacity building	\$49.0 million
1994s research and extension	\$8.0 million
Hispanic education partnership	\$5.1 million
U.S. territories programs	\$1.0 million
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- 3. In order to restore cuts made to the EFNEP program last year and to begin increases designed to bring the minority serving institutions into eligibility for the program, fund EFNEP at \$62.0 million.
- 4. Increase the competitive grants programs to better address critical nutrition, food security, and environmental needs:

National Research Initiative	\$180.0 million
Institution Challenge Grants	\$6.0 million
International Science & Education Grants	\$1.5 million

I believe that these are extremely modest requests for providing the critical federal support necessary for agriculture in the United States. The American consumer still today spends less of his disposable income for food than does any other consumer in the world. Indeed, support for research, extension and education should be viewed as an investment in our future.

Thank you for the opportunity to present this statement. I will be happy to answer questions.